

## ND RETIREMENT AND INVESTMENT OFFICE

8/12/2008

# Balance Sheet

## As of 6/30/2008

	As of <u>6-30-08</u>	As of <u>6-30-07</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,603,374,536	\$ 1,845,998,567
INTERNATIONAL EQUITIES	751,763,915	944,760,297
DOMESTIC FIXED INCOME	2,116,937,618	1,973,499,969
INTERNATIONAL FIXED INCOME	193,480,800	179,265,016
REAL ESTATE	433,101,768	417,638,876
ALTERNATIVE INVESTMENTS	203,274,502	173,508,671
INVESTED CASH (NOTE 1)	<u>82,143,865</u>	<u>84,933,966</u>
TOTAL INVESTMENTS	5,384,077,004	5,619,605,362
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	22,250,668	23,668,338
CONTRIBUTIONS RECEIVABLE	8,065,995	8,058,323
MISCELLANEOUS RECEIVABLE	<u>10,464</u>	<u>7,075</u>
TOTAL RECEIVABLES	30,327,127	31,733,736
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	193,890,417	584,981,829
OPERATING CASH	11,236,491	10,032,855
FIXED ASSETS (NET OF ACCUM DEPR)	<u>555,989</u>	<u>789,382</u>
TOTAL ASSETS	<u>\$ 5,620,087,028</u>	<u>\$ 6,247,143,164</u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	193,890,417	584,981,829
ACCOUNTS PAYABLE	87,142	75,649
ACCRUED EXPENSES	550,970	519,832
CAPITAL LEASE PAYABLE	0	1,210
INVESTMENT EXPENSES PAYABLE	<u>6,781,460</u>	<u>7,719,499</u>
TOTAL LIABILITIES	201,309,989	593,298,019
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	5,653,845,145	4,924,031,121
CASH IN DURING YEAR (NOTE 3)	457,757,640	295,030,109
CASH OUT DURING YEAR (NOTE 4)	402,350,350	358,929,903
NET INCREASE (DECREASE)	<u>(290,475,396)</u>	<u>793,713,818</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>5,418,777,039</u>	<u>5,653,845,145</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 5,620,087,028</u>	<u>\$ 6,247,143,164</u>

## ND RETIREMENT AND INVESTMENT OFFICE

8/12/2008

**Profit and Loss Statement**  
**For the Month Ended 6/30/2008**

	Month Ended <u>6-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 15,560,709	\$ 165,092,867
SECURITIES LENDING INCOME	463,056	14,948,467
	<u>16,023,765</u>	<u>180,041,334</u>
GAIN ON SALE OF INVESTMENTS	48,024,717	649,446,045
LOSS ON SALE OF INVESTMENTS	<u>50,876,149</u>	<u>569,057,716</u>
NET GAINS (LOSSES) INVESTMENTS	(2,851,432)	80,388,329
INVESTMENT EXPENSES	1,834,042	28,747,505
SECURITIES LENDING EXPENSES	<u>255,454</u>	<u>13,375,735</u>
NET INVESTMENT INCOME	11,082,837	218,306,423
NET APPREC (DEPREC) MARKET VALUE	(226,932,820)	(461,304,595)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(669,094)</u>	<u>(4,121,018)</u>
TOTAL INVESTMENT INCOME	(216,519,077)	(247,119,190)
CONTRIBUTIONS & ASSESSMENTS (NOTE 5)	17,885,190	66,921,227
PURCHASED SERVICE CREDIT (NOTE 6)	773,667	3,636,528
PENALTY & INTEREST (NOTE 7)	<u>14,884</u>	<u>15,634</u>
TOTAL ADDITIONS	<u>(197,845,336)</u>	<u>(176,545,801)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 8)	9,070,814	105,764,195
PARTIAL LUMP SUM BENEFITS PAID	448,038	692,139
REFUNDS TO MEMBER (NOTE 9)	<u>216,956</u>	<u>5,500,476</u>
TOTAL BENEFITS PAID	9,735,808	111,956,810
ADMINISTRATIVE EXPENSES	436,262	1,972,785
TOTAL DEDUCTIONS	<u>10,172,070</u>	<u>113,929,595</u>
NET INCREASE (DECREASE)	<u>\$ (208,017,406)</u>	<u>\$ (290,475,396)</u>

# **ND RETIREMENT AND INVESTMENT OFFICE**

8/12/2008

## **Notes To Financial Statements**

**June 30, 2008**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

**NOTE 1**            **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

**NOTE 2**            **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

**NOTE 3**            **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

**NOTE 4**            **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

**NOTE 5**            **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

**NOTE 6**            **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

**NOTE 7**            **PENALTY & INTEREST**

Amounts charged to school districts for late payment or reporting of contributions.

**NOTE 8**            **BENEFITS PAID TO PARTICIPANTS**

Monthly annuity benefits paid to retired teachers on the first of each month.

**NOTE 9**            **REFUND TO MEMBERS**

Refunds of teachers' accounts who have ceased teaching in North Dakota.